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18 November 1969

Project No. 51.5567

Economic and Military Reconstruction in North Vietnam
During October 1969

Introduction

The reconstruction of military and economic facilities in North Vietnam is of continuing importance because of the implications for support of the war and conduct of negotiations for peace. Economic conditions become an increasingly important factor influencing regime policies as the war drags on. This monthly report summarizes significant reconstruction developments to highlight those factors that might be relevant to an analysis of change in the North Vietnamese bargaining position.

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GROUP 1
Excluded from automatic
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Military Construction

1. The new airfield under construction at Quan Lang, 40 miles northwest of Vinh and 18 miles from the Laotian border, is almost ready for jet fighter operations. [REDACTED] indicated completion of the runway alignment with work being done on its earth surface. The 6600 x 115-foot runway is long enough to handle any of the jet fighters in North Vietnam's air inventory. Although no support facilities have been observed thus far, a tunnel currently being excavated in a nearby hill may be intended for support/storage purposes.

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2. [REDACTED]

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[REDACTED] approximately 3600 feet of runway were serviceable and an additional 1300 feet were being worked on. Repair work at this field was noted in December 1968 and May 1969, but it was intermittent and of short duration. The Dien Bien Phu airfield could be used by small cargo aircraft and as a recovery/emergency jet airfield in support of operations over Northern Laos.

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Agriculture

6. The regime is continuing attempts to improve food production, publishing during the month guidelines on raising hogs, the main source of meat and an important source of fertilizer. Although long-run aspirations for socialization of agriculture have not been abandoned, the recent regulations encouraged private initiative by setting aside small amounts of paddy and maize from the cooperatives to support the family hog raising. The regulations also required the cooperatives to increase hog raising by devoting to hogs 50 percent of the sweet potatoes and manioc produced and 5 percent of cooperative land. Vice Premier Le Thanh Nghi earlier had acknowledged that collective animal husbandry was not satisfying domestic needs. Less than a third of the cooperatives are actively engaged in animal husbandry and the raising of some 5.2 million hogs in North Vietnam is basically a family sideline.

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11. A North Vietnamese trade and aid delegation headed by Vice-Premier Le Thanh Nghi continued the annual tour of Communist countries to conclude agreements for economic and military aid for 1970. Premier Pham Van Dong, who was in East Germany in October for the 20th National Day celebration, was a brief addition to the delegation in East Germany and the USSR. Negotiations were also concluded during October with Poland and Romania. Le Thanh Nghi is currently in Bulgaria and will conclude his tour with visits to Hungary and Czechoslovakia.

12. The terms of this year's agreements closely resemble those of earlier years with vague references to non-refundable economic and military assistance, long-term credits, and mutual trade for the coming year. As in earlier years, neither values nor specific provisions of the agreements were announced. A new aspect this year was the reference

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to formation of "joint economic committees" with Poland and East Germany to iron out problems concerning the implementation of aid agreements and to coordinate future economic-technical cooperation between the countries.

13. Swedish and other Free World political leaders continued to debate the extension of Swedish aid to North Vietnam announced last month. The Swedish government apparently will initiate its three-year aid program on 1 July 1970, as originally announced, despite protests from both domestic and foreign sources, particularly from other Scandinavian countries. One-third of the more than \$40 million total will be grants, with the remainder in the form of credits. The only modifications Sweden has made since the original statement are that until the war is over in South Vietnam, disbursements will be for "humanitarian aid" only and will be administered through the Red Cross rather than directly by the Swedish government. It is still not clear if Stockholm intends to incorporate this aid into the broader Nordic Plan that also involves Norway, Denmark, and Finland.

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Conclusions

14. Air defense construction during October continued to be oriented towards the war in Laos. The new Quan Lang airfield northwest of Vinh was being readied for jet fighter operations, and repair work was stepped up at Dien Bien Phu airfield in the northwest. Fourteen jet fighters are now based at the Bai Thuong airfield, suggesting a continuing concern by the government for air defenses in the Panhandle.

15. No significant improvements were noted in the industrial sector of the economy, but planning went forward on a number of projects to increase output capacity in cement and electric power. Continued work on the Haiphong cement plant [REDACTED]

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facilities which produce major export items. The regime issued regulations to promote increases in both private and cooperative hog production. The latter is failing to meet the country's needs for hogs, a major source of meat and an important source of fertilizer.

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[REDACTED]

17. The annual aid-seeking tour to Communist countries by Vice-Premier Le Thanh Nghi was continued this month, with only Hungary and Czechoslovakia remaining on the agenda. A new feature this year in the agreements with Poland and East Germany was the reference to formation of "joint economic committees" to aid in implementing and coordinating economic assistance. Sweden apparently plans to carry out its three-year aid program to North Vietnam announced last month, although foreign and domestic protests have limited the disbursement of funds for "humanitarian" purposes, while the war continues in South Vietnam.

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